

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6401

BILL NUMBER: SB 133

NOTE PREPARED: Jan 19, 2012

BILL AMENDED: Jan 17, 2012

SUBJECT: Underground Storage Tanks.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR: Rep. Wolkins

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows the Solid Waste Management Board to adopt rules and establish requirements for underground storage tanks in conformance with the delivery prohibition program under 42 U.S.C. 6991k. It provides that the Commissioner of the Department of Environmental Management (IDEM) may: (1) determine whether an underground storage tank is eligible for delivery, deposit, or acceptance of a regulated substance; and (2) issue a temporary order to enforce compliance.

The bill allows the Commissioner to enforce the delivery prohibition program if an owner or operator of an underground petroleum storage tank fails to register the tank or pay annual registration fees. It requires the Commissioner to provide notice before issuing such a temporary order. The bill also requires compliance with such an order by the new owner of an underground storage tank after ownership of the tank is transferred.

The bill allows the Commissioner to implement the delivery prohibition program prior to the adoption of rules by the board. It repeals requirements to pay certain tank fees. It exempts the implementation of the delivery prohibition program from certain administrative procedures. The bill also provides a defense to noncompliance with such an order if the owner or operator of the underground storage tank has not been notified that the tank is ineligible, and it makes a technical correction.

Effective Date: July 1, 2012.

Explanation of State Expenditures: This bill allows the Solid Waste Management Board to adopt rules to comply with the delivery prohibition program for underground storage tank systems under 42 U.S.C. 6991k. The bill also allows the IDEM Commissioner to perform certain actions in order to implement the delivery

prohibition requirements under federal law and to carry out the actions prior to the adoption of rules by the board. These provisions should be able to be implemented within existing resources.

Explanation of State Revenues: The bill repeals the requirement for underground storage tank owners to pay penalties if they fail to pay the appropriate fees, which could reduce revenue to the Petroleum Trust Fund, the Excess Liability Trust Fund, and the Hazardous Substances Response Trust Fund. About \$30,000 was collected in penalties for FY 2010 and FY 2011.

Under current law, the penalty assessed cannot exceed \$2,000 per underground storage tank for each year that the fee is due and remains unpaid. Current law provides that these penalties are distributed as follows: 50% to the Petroleum Trust Fund and 50% to the Excess Liability Trust Fund. However, penalties assessed for tanks containing regulated substances other than petroleum are deposited in the Hazardous Substances Response Trust Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDEM.

Local Agencies Affected:

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